CEDAR CREEK PARTNERS, LLC

Managing Member – Tim Eriksen   Eriksen Capital Management, LLC   567 Wildrose Cir., Lynden, WA 98264

December 17, 2012

Subject: Cedar Creek Partners November 2012 Unaudited Results

Dear Partner:

The markets rose modestly in November, as all the major indices except for the DJIA posted gains. The fund outperformed the indices during the month, rising by 1.2%, net of fees and expenses. Year to date, the fund is up 5.6%, net of fees and expenses.[1]

	Nov '12	2012	Inception	Ave. Annual
Cedar Creek	**1.2%**	**5.6%**	**165.4%**	**15.2%**
DJIA	-0.1%	9.4%	43.2%	5.4%
Nasdaq	1.1%	15.5%	29.9%	3.9%
Russell 2000	0.5%	12.3%	27.3%	3.6%
S&P 500 (SPY)	0.6%	15.0%	26.8%	3.5%

* fund inception January 15, 2006. Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

The fund has a price to earnings ratio of 6.5, excluding cash, which, is less than half the ratio of the general market indices.

November Month Details

Notable gainers in November were Mastech Holdings (MHH) up 35%, Hennessy Advisors (HNNA) which rose 22%, Teton Advisors (TETAA) up 14%, Conrad Industries (CNRD) up 9%, and Monument Mining (MMY) up 5%. Notable decliners in November were Archon Corp. (ARHN) down 18%, Aberdeen International (AAB.TO) down 12%, Calamos Asset Management (CLMS) down 9%, and Revett Minerals (RVM) and Opt Sciences (OPST), each down 7%.

Our New Largest Holding

In last month's letter we noted that we had started aggressively buying a micro cap name. We said that "it is the most attractive security on a risk/reward basis that we

[1] While, no single index is directly comparable to Cedar Creek Partners, we believe that it is important to compare our performance to a passively managed approach. At the core of our investment philosophy is the belief that we can generate superior risk-adjusted returns by holding a more concentrated portfolio of under-valued securities, than an index holding a far greater number of securities. Index returns as reported on Yahoo! Finance, Dow Jones, and Russell (see DISCLAIMER for more information).

have seen since 2009, and look forward to giving you more details in the future." We were aggressive in acquiring shares while mindful that we did not want to push the share price up. That is always difficult in a micro-cap name with limited liquidity. The stock is Hennessy Advisors (HNNA), a small asset management firm that we have followed for more than seven years. It is now the largest position in the fund, and the price is already 40% higher than when we first started buying. We believe it could double in 2013 and have attached a more detailed write up.

Cash Levels and Increased Positions in the Fund

The fund's cash levels, excluding short credits, finished the month at 10.4%, in line with our general target of 10%. We exited two positions – Select Income REIT (SIR) and Texas Vanguard (TVOC), a small unlisted oil/gas producer. Texas Vanguard reported disappointing results in the third quarter and since it was a tiny position we chose to liquidate it. It returned more than 50% in the two year time frame we owned it.

We profiled Select Income REIT (SIR) in our August letter. It was a position we were excited about, at the time, in terms of price and their unique land holdings; however, management recently decided to issue additional shares, at a price we felt was below intrinsic value. Management seems more interested in managing more assets than in creating value for shareholders. We already have a few positions where we believe management is not acting in a manner consistent with our interests, and have no desire to add more, so we decided to search for other opportunities.

For value investors there is nearly always a trade-off between discount to intrinsic value and having a shareholder-focused management. Companies that have a shareholder focused management rarely trade at substantial discounts to intrinsic value. The best time to purchase them is when they are trading at reasonable discounts.

Companies with poor management, in terms of shareholder focus, can trade at substantial discounts. The discounts are often very enticing and the value investor frequently assumes management will either come to its senses and the share price will jump appreciably or management will continue on its current path which should result in average returns, with lower risk, until, hopefully, the company is eventually sold. The key is to either be able to influence management, or be extremely patient and willing to wait a number of years.

As a side note, we believe the fund's recent short term under-performance is attributable to having too high of a percentage of the portfolio in these type of companies. This was largely due to the absence of actionable ideas with a near term catalyst, which is our preferred investing approach. In the coming year, we are going to limit our exposure to the deeper value stocks and when there is a shortage of actionable ideas with near term catalysts we will likely have higher cash levels. That way we will continue to focus on finding actionable ideas rather than trying to persuade management.

Special Dividends

We noted in last month's letter that "In addition to the low P/E ratio, most of our holdings have high cash balances, and little or no debt. With the high cash balances, and possible changes to income tax rates for dividends, we think it is possible that a couple holdings will announce large dividends before the end of the year." Our analysis proved conservative as more than a couple announced special dividends. In fact, nearly one quarter of the fund's holdings announced special dividends.

Company	Symbol	Price	Dividend	CashPS	
Diamond Hill	DHIL	$ 78.00	$ 8.00	$ 7.00	
Pardee Resources	PDER	$ 206.00	$ 5.00	$ 37.00	
Conrad Industries	CNRD	$ 19.00	$ 2.00	$ 6.00	
Mastech Holdings	MHH	$ 5.13	$ 2.00	$ (0.83)	
Sadlier	SADL	$ 41.10	$ 1.50	$ 42.50	ILL
Opt Sciences	OPST	$ 13.99	$ 0.65	$ 12.20	ILL
Teton Advisors	TETAA	$ 15.00	$ 0.60	$ 0.60	ILL

Note: ILL = illiquid. Price = before announcement. CashPS = estimated cash per share as of 12/31/12.

Most of the companies experienced a modest bump in their share price after the special dividend announcement. The one exception was Mastech Holdings (MHH), which rose substantially, from $5.13 to over $7 per share. We used the nearly 40% jump in price to exit the position. Those with a basic familiarity with finance understand that special dividends do not create any real value. Cash is just transferred from the company to its shareholders; however, the increased confidence that management is focused on shareholders and shareholder value is beneficial to share prices. In fact, a few of the companies that are illiquid – Sadlier and Opt Sciences, in particular, would probably have bounced significantly had they announced much larger special dividends since both have cash levels nearly equal to their share prices and PE ratios near ten.

Room for New Members and/or Additional Funds

We still have plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $50,000 and 2) that new members are accredited (high net worth) individuals. Subsequent investments must be for a minimum of $10,000.

If this letter was passed on to you and you would like to be added to our monthly distribution list, please email me at the email address below. Should you have any questions regarding the fund, please don't hesitate to call me at my home office (360) 393-3019, or on my cell at (360) 354-3331.

Sincerely,

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DISCLAIMERS

Fund Performance

The financial performance figures for 2012 presented in this report are un-audited estimates based on the best information available at the time of the letter, and are subject to subsequent revision by the Fund's auditors. Past performance may not be indicative of future results and no representation is made that an investor will or is likely to achieve results similar to those shown. All investments involve risk including the loss of principal.

Net Return reflects the experience of an investor who came into the Fund on inception and did not add to or withdraw from the Fund through the end of the most recently reported period. The reported net return figures will therefore include the impact of high water marks in the cumulative return. Individual investor returns will vary depending upon the timing of their investment, the effects of additions and withdrawals from their capital account, and each individual's high water mark figure, if any.

Index Returns

The S&P500 Index returns are reported using the S&P500 Depository Receipt Trust (SPDR) which trades under the ticker symbol SPY. Reinvested dividends are included in these figures. A spreadsheet showing the SPY performance versus the fund since inception is available upon request.

Nasdaq performance excludes dividends, which are generally immaterial to the total return of that index.

Russell 2000 performance is from data reported on Russell's website, and includes reinvested dividends.

DJIA is from Yahoo! Finance and Dow Jones and includes dividends.

Index returns are provided as a convenience to the reader only. The Fund's returns are likely to differ substantially from that of any index, and there can be no assurance that the Fund will achieve results that are superior to such indices.

Forward Looking Statements

This letter and the accompanying discussion include forward-looking statements. All statements that are not historical facts are forward-looking statements, including any statements that relate to future market conditions, results, operations, strategies or other future conditions or developments and any statements regarding objectives, opportunities, positioning or prospects. Forward-looking statements are necessarily based upon speculation, expectations, estimates and assumptions that are inherently unreliable and subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements are not a promise or guaranty about future events.